

The Washington Merry-Go-Round**Did Soviets Manipulate U.S. Market?**

7/27/73
By Jack Anderson

The Soviets not only out-traded American grain dealers last year but may have helped to finance the 400-million-bushel purchase by manipulating the U.S. commodity market.

This possibility has got Sen. Henry M. Jackson (D-Wash.) digging through commodity records in search of evidence, which may reveal just how badly the Communists beat the capitalists at their own game.

Jackson suspects the Soviets used European companies as fronts to trade in wheat futures. Since the Soviets alone knew how massive their U.S. grain purchases would be, they could have used this inside knowledge to speculate on the commodity market.

Jackson believes this is exactly what the Soviets did through dummy companies. They could have squeezed millions out of U.S. investors, then used the proceeds to help pay for the grain.

As Jackson has pieced together the story, here's how the Soviets skinned the American grain operators:

First, the Kremlin sent hordes of bright young men to study the American commodity market. They developed a remarkable understanding of how the market operates, then

they began making piecemeal purchases.

The American grain dealers, not knowing that the Soviets would wind up buying just about all the grain on the commercial market, bid against one another. Thus the Soviets got bargain deals before the Americans realized they could have made the same sales without price cutting.

Jackson believes the Soviets also knew their \$660 million purchase would drive up the price of wheat futures. He is convinced, therefore, that they invested heavily in wheat futures before other investors realized what was happening.

Every dollar that the Russians squeezed out of the American grain companies, of course, has been passed on to the consumers. This has led to higher prices for bread, poultry, pork and beef.

Some insiders ruefully refer to the Soviet grain deal as the Great Grain Robbery. But as usual in such affairs, it was the American consumers who were robbed.